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NEAR EAST/AFRICA BRANCH

INTELLIGENCE SUMMARY

For Week Ending 21 July 1948

Vol. III No. 28



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GREECE

The Greek Army, after a brief lull, has resumed the offensive against the guerrillas in the Grammos Mountains with sharp artillery and air activity. With the conclusion of the fourth week of action, the guerrillas have suffered heavy casualties, but they have stubbornly refused to give ground and have already been reinforced with about 1,000 troops from without the battle area. Another 2,000 troops immediately threaten the rear of the army cordon. Army casualties have not been quite so heavy as those of the guerrillas. The operation, however, is behind schedule; continued prolongation of the campaign will result in serious logistical, reserve, and morale difficulties and will also raise grave political problems in Athens.

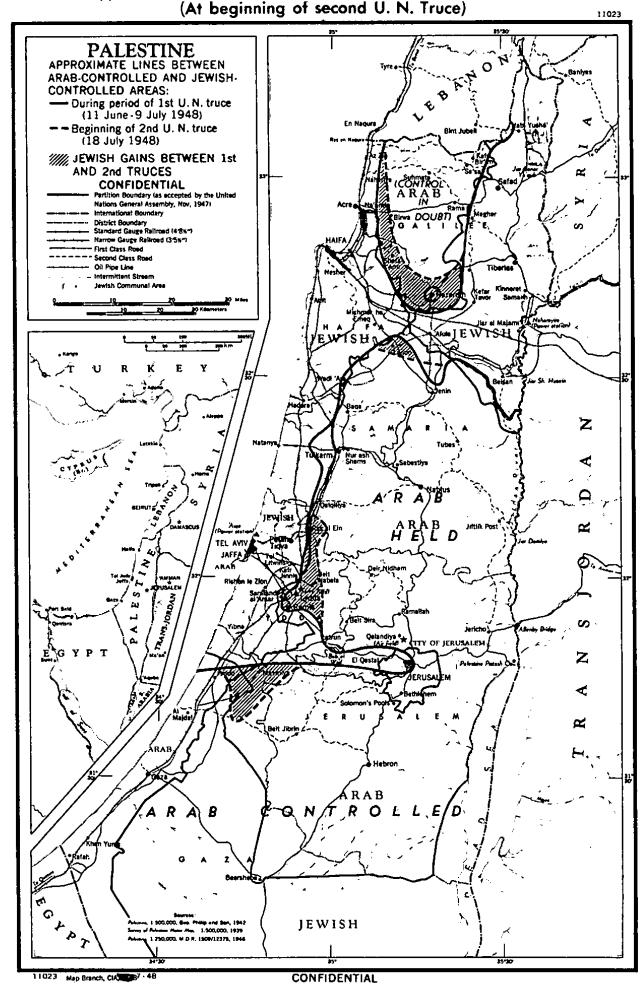
Although the army may be able to clear the Grammos area by the end of August, the guerrillas have won an important tactical advantage. The unprecedented success of their static defense has forced the army to make drastic revisions in its original plan of action and has also fortified guerrilla determination.

When the much-publicized Grammos drive is finally over, Greek morale, which has been steadily rising, will plunge to a new low unless it is apparent to the refugee peasant and the weary soldier that guerrilla activity is definitely on the wane. If the guerrillas are able to prevent a decisive army victory, elements in the satellite states which have recently been lukewarm in their support of Markos may be inspired to release a new flood of military supplies across the border.

TURKEY

The Vendenberg Resolution, as interpreted by the Turkish Government, would make it necessary for Turkey to participate in a regional defense scheme similar to the union of Western Europe in order to apply for assurances of US military support. The Turks foresee many obstacles, however, to the formation of such a group in their part of the world. The Palestine situation, for example, would nullify the value of any military agreement between Turkey, Greece, and the Arab states, as proposed by Greek Foreign Minister Tealdaris. Furthermore, the conclusion of a defense pact with any of Turkey's militarily weak anti-Soviet neighbors (Greece, Syria, Iraq,

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and Iran) would involve considerable risk to the Turks without any compensating gain. In view of the difficulties obviating Turkey's inclusion in any regional group, therefore, the Turks fear that they will not be eligible for such military support as the union of Western Europe desires from the US.

Turkish harvest prospects are bright. If the expected bumper harvests materialize, the Turks should be able to export surpluses in sufficient quantities to alleviate Turkey's severe foreign exchange difficulties. There is also a possibility that, through ECA mediation, a part of Turkey's current excess stocks of tobacco may find an outlet in Western Germany. Thus, although the Turks continue to be confused and confounded by innumerable economic and financial difficulties, a bit of brightness may soon cast its rays on the agricultural and pastoral scene.

PALESTINE

The Palestine truce, which was re-established by the Security Council following a week of violent Arab-Jewish hostilities, is not likely to result in a permanent settlement between Jews and Arabs. The opposing armies will hold to their present positions, extremist groups on both sides will become involved in at least minor violations, and neither Israel nor the Arab states are likely to modify their claims sufficiently to bring about a general agreement. If Israel can effectively restrain the Irgun Zvai Leumi and the Stern Gang, and if the Arab governments can control the extreme nationalism of their peoples, the stalemate will continue, and the whole issue may well come up again in the General Assembly in September.

The Jews agreed to renew the truce because its terms favor Israel militarily and politically. The Arabs, on the other hand, accepted the extension only because of military weakness and fear of UN sanctions. Arab support of the truce will depend largely on the reaction of the Arab people who were confident of victory and were assured by their leaders that the truce would not be extended. Their bitterness may well erupt into violence against their governments or the Western powers or both. If their wrath is turned against their leaders, some of the Arab governments in an attempt to survive will probably resume the Palestine war. Arab leaders, however, will first make every effort to turn the anger of their people against the UN, the US, and the UK.

The Israeli forces made substantial gains during the nine days of fighting between the expiration of the UN truce on 9 July and its renewal on 18 July. The Arab threat to Tel Aviv was eliminated by the capture of Ramle, Lydda, and Ras al Ein. A Jewish thrust southeast of Isdud effectively

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prevented the Egyptian forces from joining the Arab Legion at Latrum. The Jews are supplying Jerusalem through the widened strip of territory between that city and Tel Aviv by skirting Latrum and Bab el Wad, the only remaining Arab blocks along the main road, and a Jewish offensive Within Jerusalem succeeded in breaching the walls of the Arab-held Old City. In the north, Jewish forces took the strategic Arab-Christian town of Nazareth. The only Arab advance of any consequence was made by the Iraqi Army north of Jenin. The Transjordan Arab Legion engaged in no offensive action during the period of fighting.

KUWAIT

Before the Kuwait Neutral Zone oil concession was granted to AMINCO (American Independent Oil Company) on 28 June, Arab League members made protest to the Sheik of Kuwait against granting a concession to the "pro-Israel" US. The Sheik, however, chose to overlook the protest and to pocket the rich prize of the concession terms.

Now that the concession has been signed, the Sheik is giving at least lip service to the Arab League attitude on oil. His secretary, Izzat Jaffar, has said that Kuwait will comply with any sanctions on Middle East oil companies voted by the Arab League. Jaffar is also of the opinion that oil shipments from Aladan would suffer through sympathy strikes.

Since Kuwait is not a member of the Arab League, the Sheik is under no compunction to follow Arab League decisions. The Saud recently published an official statement on his willingness to sacrifice Saudi oil concessions if the US took further pro-Israel steps. Since the Neutral Zone is under the co-jurisdiction of both Saudi Arabia and Kuwait, the Sheik of Kuwait perhaps throught it wise to echo the voice of his more powerful neighbor, The Saud.

Only as a last resort would the Arab League states—despite their fine phrases—cancel existing oil concessions. That the Sheik of Mumait, however, has indicated, if in words only, his intention to abide by Arab League decisons regarding oil is evidence that even a non-Arab League state feels it necessary, at least verbally, to conform to the demands of Arab opinion for action in regard to Palestine.

INDIA

The danger continues that the sporadic fighting in Kashmir may develop into full-scale war unless the UN Commission acts quickly to effect a



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cease-fire. Indian officials, in commenting to the Commission on the undeclared war existing between India and Pakistan, claim that a plebiscite cannot be held in the state until Pakistani forces are withdrawn, and they also threaten that India will "end with force that which began with force." The Government of Pakistan, which asserts that its troops (some 10,000 men) are in Kashmir for defense purposes only, has shown no disposition to retreat from its position. Although neither dominion wants war, both are committed to strong stands on the Kashmir issue. The Commission is accordingly faced with the ultimate problem of finding a compromise which both dominions can accept without loss of prestige.

A forced solution of the Hyderabad problem is threatened by Indian officials. The Government of India has again asserted that aircraft from Pakistan are illegally transporting arms and ammunition to Hyderabad, although neutral observers are of the opinion that the materiel does not come from Pakistan, where an arms shortage exists. Continuation of the Indian economic blockade of Hyderabad and predatory raids into Indian territory by Hyderabad extremists presage increased violence.

